

1 SUMMARY OF CAPACITY TRANSACTIONS WITH
2 MISSOURI MUNICIPAL UTILITIES

3 Big Rivers Electric Corporation ("Big Rivers" or "Seller") has entered into
4 separate capacity sales agreements ("Agreements") with each of the Missouri cities
5 of Hannibal, California, Centralia, Marceline, and Kahoka ("Missouri Municipal
6 Group" or "MMG" or, individually, a "Buyer"). While the MMG members identify
7 and negotiate with potential counterparties as a group, they transact in separate
8 but almost identical Agreements. The following summarizes the principal
9 obligations of the parties in the Agreement. A capitalized term not defined in this
10 summary has the meaning given it in the Agreement.

11 1. General

12 Big Rivers will supply a total of 49.8 Zone 6 Zonal Resource Credits
13 ("ZRC") to the MMG members for a term of three years beginning June 1, 2017.
14 One ZRC equals one megawatt ("MW") of Unforced Capacity¹ as defined by the
15 Midcontinent Independent System Operator, Inc. ("MISO"). The capacity resources
16 of Big Rivers are located in or delivered to Zone 6. Big Rivers will deliver the ZRC's
17 to Buyer annually by submitting each of the transactions into the MISO Module E
18 Capacity Tracking System ("MECT"), through which MISO tracks capacity
19 resources. There is no energy involved in this transaction.

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¹ "Unforced Capacity" is defined as the amount of Capacity in MW assigned to a Planning Resource after accounting for its forced outage rate or historic availability.

2. Conditions to Effectiveness and Contingencies

The effectiveness of the parties' obligations under the Agreement is subject to regulatory approval by the Public Service Commission ("Commission") and compliance with RUS notice or approval requirements. Big Rivers is required to request that if the Commission suspends the Agreements that the Commission conduct its review on an expedited basis and issue an order no later than March 20, 2017. The basis for this request is that if the Commission does not approve an Agreement as presented no later than 150 days from the Effective Date of the Agreement, the Buyer in that Agreement may terminate it. If an Agreement has not received approvals from the RUS by 90 days from the Effective Date, the Buyer in that Agreement may terminate the Agreement.

3. Charges

Big Rivers will receive total payments of \$124,500 each month of the 36-month term. That equates to \$2,500/MW/Month or \$82.19/MW/Day.

In April of each year, MISO conducts a Planning Resource Auction ("PRA") through which Buyers and Sellers of capacity can transact. The PRA Auction Clearing Price for Zone 6 ZRC's for the past four PRA's (2013 – 2016), respectively, were \$1.05/MW/Day, \$16.75/MW/Day, \$3.48/MW/Day, and \$72/MW/Day. Based upon this information, Big Rivers believes that the contract price in the Agreement is reasonable.

1 4. Credit Assurance

2 Big Rivers and each Buyer have agreed that the current credit of the
3 other is satisfactory. Each party to an Agreement has the right to request
4 additional credit support should the credit position of the other party deteriorate.